

**DIVISION OF REVENUE
ACH COLLECTION SERVICES**

REQUEST FOR PROPOSAL

I.	BACKGROUND	6
II.	PURPOSE AND INTENT	8
III.	TERMS AND CONDITIONS	9
A.	APPLICABLE RULES AND REGULATIONS.....	9
B.	PROJECT MANAGEMENT	10
C.	TIMETABLE OF EVENTS	10
D.	MANDATORY BIDDERS' CONFERENCE.....	10
E.	RFP QUESTIONS FROM BIDDERS	11
F.	REVISIONS TO THE REQUEST FOR PROPOSAL.....	11
G.	PROPOSAL DUE DATE.....	12
H.	ORAL PRESENTATION AND VENDOR SITE VISITATION/INSPECTION	12
I.	CONTRACT AWARD	13
J.	LENGTH OF CONTRACT	13
K.	CONTRACT EXTENSION	14

L.	VENDOR RIGHT TO PROTEST	14
M.	TERMINATION OF CONTRACT	14
N.	CONTRACT CONTINUITY/TRANSITIONAL PERIOD	15
O.	UNANTICIPATED SERVICES	15
P.	PRIME CONTRACTOR RESPONSIBILITIES	16
Q.	SUBCONTRACTING	16
R.	ASSIGNMENT	17
S.	COST LIABILITY	17
T.	OWNERSHIP OF MATERIAL.....	17
U.	FILE TRANSFER	17
V.	PROMOTIONAL USE PROHIBITED	18
W.	ACCOUNTING RECORDS	18
X.	SEVERABILITY CLAUSE	19
Y.	INDEMNIFICATION	19
Z.	INSURANCE.....	19
AA.	CONFLICT OF INTEREST.....	20
BB.	PUBLIC RECORDS	21

CC. SINGLE RESPONSE	21
IV. OTHER MANDATORY PROVISIONS	22
A. FINANCIAL STATEMENTS.....	22
B. OWNERSHIP DISCLOSURE FORM	22
C. NON-DISCRIMINATION LAW	22
D. COLLATERALIZATION OF DEPOSITS.....	22
E. PROOF OF REGISTRATION REQUIREMENTS.....	23
F. N.J.S.A. 52:34-13.2 CERTIFICATION	24
G. TWO-YEAR CHAPTER 51 / EXECUTIVE ORDER 117 VENDOR CERTIFICATION AND DISCLOSURE OF POLITICAL CONTRIBUTIONS	25
H. DISASTER RECOVERY PLAN	27
I. IMAGE PROCESSING OF PUBLIC RECORDS & CERTIFICATION OF IMAGE PROCESSING SYSTEMS.....	28
V. PAYMENT METHOD AND TERMS	29
A. COMPENSATING BALANCES	29
B. PAYMENT TERMS	29
C. MONTHLY ANALYSIS	29
VI. SCOPE OF WORK	31

A.	GENERAL ACCOUNT REQUIREMENTS	31
B.	ACCOUNT TO BE ESTABLISHED	31
C.	ACCOUNT DATA INFORMATION	32
D.	ACH REQUIREMENTS.....	33
E.	ACH RETURNS AND ACH CREDIT REVERSALS.....	38
F.	ACH PRE-NOTES FOR ACH DEBIT TRANSACTIONS	40
G.	ACH BATCH PAYMENTS AND BATCH PAYMENT SOFTWARE	41
H.	WEB-BASED INQUIRY/COMMUNICATION SYSTEM	42
I.	BANK STATEMENTS AND REPORTING.....	47
J.	CUSTOMER SERVICE/INQUIRIES.....	48
K.	VENDOR CONTACT PERSONNEL	49
L.	IMPLEMENTATION AND TESTING.....	50
M.	TRAINING.....	51
VII.	EVALUATION CRITERIA	52
VIII.	VENDOR RESPONSE	53
IX.	COST SCHEDULE.....	62

EXHIBITS

- EXHIBIT A:** State of New Jersey OIT File Transfer Guide
- EXHIBIT B:** Ownership Disclosure Form
- EXHIBIT C:** Policy Statement: Department of the Treasury Collateralization Requirements for State Held Deposits
- EXHIBIT D:** N.J.S.A. 52:34-13.2 Certification
- EXHIBIT E:** Information and Instructions for Completing the Two-Year Vendor Certification and Disclosure of Political Contributions Forms
- EXHIBIT F:** Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions
- EXHIBIT G:** Electronic Images – System Certification, Storage, Backup and Disaster Prevention/Recovery
- EXHIBIT H:** Destruction Requirements for State Records, Canceled Checks and Electronic Images
- EXHIBIT I:** Division of Revenue – Revenue ACH Collection Services Monthly Analysis Sample Format
- EXHIBIT J:** List of EFT Payment Types
- EXHIBIT K:** Calendar Year 2009 Transaction Volumes and Dollar Amounts
- EXHIBIT L:** Daily ACH Transaction Detail File Layout
- EXHIBIT M:** Daily Tax Summary Report
- EXHIBIT N:** Daily Addenda Record Error Report

DIVISION OF REVENUE REVENUE ACH COLLECTION SERVICES

I. BACKGROUND

In 1993, the State of New Jersey Administrative Code 18:2-3.4 required taxpayers with a prior year tax liability for any one tax type in the amount of \$200,000 or more to remit their tax liability via electronic means, either by issuing an ACH credit or authorizing an ACH debit. Between 1994 and 2004 the prior year tax liability threshold for which electronic tax payments were required was lowered to \$10,000 or more. Currently, there are approximately **34,000 taxpayers required** to pay their State tax liability electronically.

In October 2000, the Division of Revenue provided taxpayers with the ability to file and pay their State taxes electronically via the Internet. In April of 2001, the Division of Revenue further expanded the electronic payment options available to taxpayers by offering the Electronic Check (E-check) payment option. The E-check payment option allows taxpayers to enter their bank account number and routing information on the State's website resulting in an ACH debit payment to the State.

The State also offers these electronic payment options on a voluntary basis to those taxpayers who would not otherwise be required to participate in the program. There are approximately **317,000 taxpayers** that voluntarily pay their tax liability electronically, many of which use payroll processors.

The Division of Revenue has established an electronic payment system utilizing the Automated Clearing House (ACH) for the collection of these State taxes and related charges. Through the State's electronic payment system, taxpayers, through the use of their computer, can utilize this service to initiate the funds transfer from their bank account to the State. Based on the input from the taxpayer, the contracted bank will initiate an ACH debit against the taxpayer's account. Taxpayers, at their own expense, also have the option to initiate an ACH credit to the State by utilizing the ACH services provided by their own bank.

Currently, the Division of Revenue administers over **163 payment types**, incorporating 163 payment codes and expects that this number will continue to grow.

Note: Taxpayers are not offered the option of initiating wire transfers to the Division of Revenue and these types of transactions must be prevented. The State will however, initiated wire transfers out of the account on a daily basis.

II. PURPOSE AND INTENT

The purpose of this request is to solicit proposals from qualified New Jersey banks to establish and operate an electronic funds transfer program for the collection of State tax and non-tax payments through the Automated Clearing House as required under **New Jersey P.L. 1992, c. 140**; for the entire payment and pre-notification process affecting those taxpayers targeted under this legislation; to provide the State with a wire transfer system for the daily wire transfers from the depository account to other State accounts; to provide a Web-Based Inquiry/Communication System for reporting purposes; and to provide other customized reports to the state via an electronic medium.

The State reserves the right via the unanticipated service clause to add additional payment types to the ACH collection system during the contract term.

The State reserves the right via the unanticipated service clause to extend this contract to additional State agencies that require similar banking services during the contract term.

III. TERMS AND CONDITIONS

A. Applicable Rules and Regulations

The vendor must be a state or nationally chartered bank, with a presence in the State of New Jersey, employ New Jersey residents, and be in compliance with all federal and/or New Jersey State laws governing all services to be awarded.

The vendor must be a member of an automated clearing house association and be in compliance with all rules and regulations set forth by the National Automated Clearing House Association (NACHA), local automated clearing house (ACH) association(s) and ACH operators.

All services must be the responsibility of the primary vendor. The State will not enter into any agreements with subcontractors.

It is agreed and understood that any contract placed as a result of this proposal shall be governed and construed and the rights and obligations of the parties hereto shall be determined in accordance with the laws of the State of New Jersey.

The TERMS AND CONDITIONS, OTHER MANDATORY PROVISIONS and PAYMENT METHOD AND TERMS of this Request for Proposal (RFP) will supersede any and all conflicting terms and conditions, including bank agreements, submitted by the bank/contractor. The State of New Jersey will not modify its terms and conditions or execute separate bank agreements.

Proposals that do not conform with or take exception to the State of New Jersey's terms and conditions, other mandatory provisions and payment methods and terms, as set forth in this RFP, will be considered non-responsive and therefore rejected.

The entire content of this RFP, all addenda and the bank's proposal will become the basis for any award and contract. These documents shall, whenever possible, be construed in harmony. However, if there is a conflict between the terms contained in these documents, the order of precedence shall be: (1) the addendum(s); (2) the RFP; and (3) the bank's proposal.

B. Project Management

The Department of the Treasury, Division of Revenue will be responsible for the administration of the contract and will be the contact agency after contract award.

The Project Manager for this program for the State of New Jersey is:

Donna Pulyer, Chief Revenue Accounting Bureau
State of New Jersey
Department of the Treasury
Division of Revenue
P.O. Box 628
Trenton, NJ 08646
Phone: (609) 292-5734

C. Timetable of Events

EVENT	DATE
Issuance of Request	July 14, 2010
Mandatory Bidders' Conference	August 17, 2010
Proposal Due Date	October 1, 2010
Anticipated Award Date	December 14, 2010
Implementation & System Testing	December 15, 2010
Contract Commencement	July 1, 2011

D. Mandatory Bidders' Conference

Attendance at the following pre-bid conference is a prerequisite for proposal submission.

DATE: August 17, 2010
TIME: 10:00 a.m. E.T.
PLACE: Department of the Treasury
Purchase Bureau Bid Room – 9th Floor
33 West State Street
Trenton, New Jersey 08608

During the conference, the RFP requirements will be reviewed and questions from interested bidders addressed.

Any deferred questions arising from the bidders' conference will be responded to in writing and distributed only to those vendors in attendance at the conference.

Responses will be provided by hardcopy, e-mail or via the Office of Management and Budget's Banking Services website. Oral explanations given anywhere but at the bidders' conference shall not be binding.

E. RFP Questions from Bidders

Before the mandatory bidders' conference, interested bidders should submit written questions regarding this document to the Cash Management Unit, on or before **August 10, 2010** to the following address:

Charlene Mello, Cash Management Analyst
State of New Jersey
Department of the Treasury
Office of Management and Budget
P.O. Box 221
Trenton, New Jersey 08625-0221

Or questions can be e-mailed to the following address, which will be answered at the scheduled bidders' conference:

Charlene.Mello@treas.state.nj.us

F. Revisions to the Request for Proposal

If it becomes necessary to revise any part of this RFP prior to the mandatory conference, time permitting, revisions will be made in the form of a written addendum and made available on the Office of Management and Budget's Banking Services website. Also, that same addendum will be provided in hardcopy to all vendors who attend the conference.

If revisions are necessary after the mandatory conference, the revisions will subsequently be provided either in hardcopy to the conference attendees, e-mailed to the attendees or through a notice to the attendees that the revisions are on the Office of Management and Budget's Banking Services website.

Acknowledgment of the receipt of all the amendments/revisions will be required to accompany any proposal submitted.

G. Proposal Due Date

In order to be considered for selection, one original proposal, clearly marked "ORIGINAL", signed by an officer who is authorized to bind the respondent contractually, and **six (6) copies** of the proposal must arrive on or before the date specified in the Timetable of Events and addressed as follows:

Charlene Mello, Cash Management Analyst
State of New Jersey
Department of the Treasury
Office of Management and Budget
P.O. Box 221
Trenton, New Jersey 08625-0221

H. Oral Presentation and Vendor Site Visitation/Inspection

Vendors who submit a proposal may be required to give an oral presentation to the evaluation committee. This will provide an opportunity for the vendor to clarify or elaborate on its proposal. However, an oral presentation does not provide the vendor the opportunity to change the original bid or correct any deficiencies in its proposal. Vendors should not construe the invitation for an oral presentation to imply any acceptance or rejection of bids.

The Department of the Treasury, Office of Management and Budget, Cash Management Unit, will schedule the presentations.

At the time of proposal evaluation, the State reserves the right to inspect the vendor's facilities, including any and all subcontractors' facilities. Any time after award, the State reserves the right to inspect the vendor's facilities, including any

and all subcontractors' facilities, without prior notice by the State. However, if circumstances warrant prior notice because of security or proprietary considerations, please include an explanation of such reservation in your response. Failure to comply with this request may result in disqualification or termination of the contract.

At all times, (1) travel by State personnel to the vendor's site will be at the State's expense; (2) travel by vendor personnel to the State of New Jersey will be at the vendor's expense.

Prior to contract award, the oral presentation and vendor site inspection may be combined.

I. Contract Award

The entire contents of this RFP, all addenda and the bank's proposal will become the basis for any award resulting from this solicitation.

The State of New Jersey reserves the right to reject any or all proposals, to award to other than the low bidder, to award in whole or in part, and to waive any minor informalities not in compliance with the specifications or terms and conditions of this request if deemed in the best interest of the State to do so.

Any statistics or values shown in the RFP are either based on past history, or best estimates. The future quantities, values or activities may be more or less than those noted herein and could change during the course of the contract term. The State will make no allowances or concessions to a bidder for any alleged misunderstanding because of quantity, character or other conditions.

J. Length of Contract

The contract will be for a **four (4) year term**. The bank may not close any accounts until officially notified by the Department of the Treasury, Office of Management and Budget, Cash Management Unit. The Department of the Treasury, Office of Management and Budget, Cash Management Unit will be responsible for opening and closing of all accounts.

K. Contract Extension

The State will have the option to extend the contract for three (3) one-year periods, or any portion thereof, if deemed in the best interest of the State to do so. The vendor will be notified of the State's intent at least 90 days prior to the expiration date of the existing contract. The vendor will have 15 calendar days to respond to the State's request. If the vendor agrees to the extension all terms and conditions of the original contract and any mutually agreed to changes will apply.

At the time of contract extension, an increase in price will be considered. The unit prices during the extension periods may be adjusted utilizing the Consumer Price Index unadjusted for All Urban Consumers, New York-Northern New Jersey Region and Philadelphia-South Jersey Region using a 2/3 to 1/3 weight respectively, as published by the Bureau of Labor Statistics of the United States Department of Labor. For price adjustments during the option periods, the prices may be increased by the same percentage as the percentage of increase shown in the Index for January of the extension year compared to the Index for January of the prior year or for the most recent reported twelve-month period. At the time of the extension option, the vendor must include in their response to the State the price increases, from and to, for each of the line item charges, along with supporting Labor Statistics documentation. The State will then independently verify the price adjustment.

L. Vendor Right to Protest

A vendor's right to protest RFP specifications and intent of contract award is governed by N.J.A.C. 17:12-3.

For all Cash Management contract protests, although N.J.A.C. 17:12-3 references the Director of the Division of Purchase and Property, the Treasurer (or designee) shall be the individual authorized to decide the protests.

M. Termination of Contract

The State reserves the right to terminate any agreement entered into as a result of this RFP providing written notice has been given to the bank at least 30 days prior to such proposed termination date unless otherwise provided herein.

At contract termination, the vendor must cooperate fully with the State and the new contract vendor to affect a smooth transition, which would include transferring all necessary databases, files and other information needed for the continued operation of the application.

N. Contract Continuity/Transitional Period

In the event the service or services are scheduled to end by contract expiration or be terminated by the State (at the State's discretion), and if requested by the State, the bank must continue the service(s) until new services can be completely operational. At no time shall this transitional period extend more than **180 days** beyond the expiration date of the existing contract. The bank will be reimbursed for this service at the rate in effect when this transitional period clause is invoked by the State.

O. Unanticipated Services

Should additional State initiated work be required which is beyond the initial scope of this RFP, either through this State agency or another, the State of New Jersey reserves the right to negotiate with the awarded vendor reasonable fees for services unanticipated or not existing at the time of the contract award. If required, the State will request a written cost estimate and a schedule of the work plan. The State must approve the fees and/or work plan prior to initiation of the work. Upon failure to arrive at a negotiated fee schedule and work plan, the State may, at its option, contract the services through a competitive process.

If additional programming is required, the vendor must be able to provide additional programming services and make system changes to their internal system within **90 days** after State approval. The cost estimate will be based on the hourly rates included in the vendor's response as specified in **Section IX, Cost Schedule** of this RFP.

NOTE: In an effort to streamline services, the Department of the Treasury, Office of Management and Budget, Cash Management Unit may extend the services of this contract to additional State agencies. These similar banking services would be added to this contract via this unanticipated service clause.

P. Prime Contractor Responsibilities

The selected vendor, and any successor vendor (in the event of merger/acquisition or other change in operating status), will be required to assume sole responsibility for the complete effort of any contract(s) awarded to the vendor subsequent to its bid submission, and assume all cost incurred by the State, directly or indirectly, in connection with or as a result of the transition. If a merger/acquisition has been announced prior to or during the vendor's proposal preparation period, identify all relevant or emerging dates surrounding the merger relative to official name change, system changes, account changes, etc. if known at the time of bid submission.

The State will consider the prime contractor to be the sole point of contact with regard to contractual matters. The prime contractor is responsible for the professional quality, technical accuracy, timely completion of any and all services awarded to the vendor as a result of the solicitation; and shall without additional compensation, correct or revise any errors, omissions, or other deficiencies in their products, services, reports, equipment, information, etc. in order to meet the requirements as specified herein.

The successful vendor must furnish the names of the officers and management personnel who will be utilized in the fulfillment of any agreement resulting from this RFP.

Q. Subcontracting

All subcontractors must be approved by the State. If the bank has knowledge prior to proposal submission date that any part of the work covered by this request will be subcontracted, the bank shall identify the subcontracting organization, its officers and the contractual arrangements made therewith, and state what services are to be subcontracted.

If, during the contract term, the bank desires to employ or replace any subcontractor, the bank must provide **90 days** written notice to the State. The State will evaluate the replacement firm's qualifications. No replacement firm shall begin work without prior State approval.

The prime contractor is totally responsible for adherence by the subcontractor to all provisions of the contract between the bank and the State. Nothing contained in these specifications or subsequent specifications shall be construed as creating any contractual responsibility between the subcontractor(s) and the State.

R. Assignment

The vendor is prohibited from assigning, transferring, conveying, subletting or otherwise disposing of this agreement or its rights, title or interest therein or its power to execute such agreement to any other person, company or corporation without the previous consent and approval, in writing, by the State. Any attempted assignment without consent shall be null and void. Unless otherwise agreed to by the State in writing, the assignee shall bear all cost incurred by the State, directly or indirectly, in connection with or as a result of such an assignment.

S. Cost Liability

The State of New Jersey assumes neither responsibility nor liability for cost incurred by banks prior to issuance of an agreement, contract or purchase order.

T. Ownership of Material

Ownership of all data, material and documentation originated and prepared exclusively for the State pursuant to any contract shall belong exclusively to the State and shall be delivered to the State upon **30 days** notice by the State.

U. File Transfer

The State of New Jersey can utilize several protocols for file transfers: HTTPS, FTPS (FTP over SSL), SFTP (FTP over SSH): a.k.a. 'SAFE process' and Connect: Direct over IP (VPN, Extranet or dedicated line ONLY). See **EXHIBIT A State of New Jersey OIT File Transfer Guide** for a detailed description of the protocols supported. A bank(s) ability to support as many of these file transfer methods as possible, thus providing the State with maximum flexibility, will be a positive factor considered during the proposal evaluation. **It is the State's preference to use**

Connect Direct with an option of Secure+ over IP and the bank(s) providing this data transmission option will be rated favorably during the evaluation process.

The Standard Entry Class (SEC) Codes that may be used by the various accounts are CCD, CCD+, PPD or CTX. The State plans to take advantage of all advancements offered by the ACH Network. The bank must be able to demonstrate that they have the ability to support these updates to the electronic funds transfer system.

The bank and all subcontractors will be required to use reasonable care to protect the confidentiality of the data. All data contained in the documents or files supplied by the State are to be considered confidential and shall be solely for the use of the State. The chosen bank must protect State data and ensure that all State information remains confidential.

Any use, loss, sale or offering of this data in any form by the prime contractor, its employees, subcontractors, or assignees may cause termination and legal action to be taken, with all cost of any such legal action to be absorbed by the vendor.

V. Promotional Use Prohibited

The vendor and any subcontractors will be prohibited from advertising or promoting any trade or business by reference to any agreement or services performed hereunder, including the issuance of news releases, resulting from any award.

W. Accounting Records

The vendor is required to maintain records and other documentation needed for the execution of any and all contracts. These records must be made available to the State at all reasonable times during the contract term and for a period of **seven (7) years from the date of final payment.**

Vendor-generated transaction records, including but not limited to, copies of checks, deposit slips, bank statements and invoices must be made available to the State for a period of **seven (7) years from the date of transaction.**

The State reserves the right to have either its personnel, its designated representatives or its auditors, monitor and audit as often as the State deems necessary, the activities and related processing and accounting records of the bank and all subcontractors, to ensure proper compliance to the terms as specified within this document.

The vendor(s) must provide adequate facilities for the State auditors to use when they perform their regular and random audits.

X. Severability Clause

In the event that any provision of this RFP or any agreement executed in accordance herewith shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision, and the agreement shall continue in effect without the invalid provision.

Y. Indemnification

The vendor shall assume all risk of and responsibility for and agrees to indemnify, defend and hold harmless the State and its employees from and against any and all claims, demands, suits, actions, recoveries, judgments, costs and expenses in connection therewith on account of the loss of life, property, or injury or damage to the person, body or property or any person or persons whatsoever, which shall arise from or result directly or indirectly from the work and/or materials supplied under any agreement, except for those claims, demands, and/or causes of action arising solely out of the negligence or willful misconduct of the State and its employees. This indemnification obligation is not limited by, but is in addition to, the insurance obligations contained in this agreement.

Z. Insurance

The vendor will furnish to the State such evidence of insurance as the State may require at the time of award and for all periods during the term of the agreement and any extensions to the agreement.

For all coverage and renewals, the documents must contain the proviso that the insurance provided shall not be canceled for any reason except after **30 days** written notice to the State of New Jersey, Department of the Treasury. All insurance shall be written for not less than any limits of liability herein specified or required by law, whichever is greater.

1. Comprehensive General Liability policy as broad as the standard coverage forms currently in use in the State of New Jersey which shall not be circumscribed by any endorsements limiting the breadth of coverage. The policy shall be endorsed to include:

- Broad Form Comprehensive General
- Liability Products/Completed Operations
- Premises/Operations

The limits of liability for bodily injury and property shall not be less than \$1 million per occurrence as a combined single unit.

2. Automobile Liability Insurance which shall be written to cover any automobile used by the insured. Limits of liability for bodily injury and property damage shall not be less than \$1 million per occurrence as a combined single limit.
3. Worker's Compensation Insurance applicable to the laws of the State of New Jersey and Employers Liability Insurance with limits not less than:

- \$100,000 Bodily Injury Each Occurrence
- \$100,000 Disease Each Employee
- \$500,000 Disease Aggregate Limit

AA. Conflict of Interest

No award will be made to a vendor who, in the opinion of the Department of the Treasury, has interest, business ventures, proprietorships, employment, or public office, which would create a conflict of interest. The State reserves the right to question vendors with respect to actual or potential conflicts of interest.

BB. Public Records

The entire content of each bid response is a public record and, as required by New Jersey Law, is available for public inspection. Persons who wish to read proposals should make an appointment by calling the Department of the Treasury, Office of Management and Budget, Cash Management Unit at: (609) 292-4468.

CC. Single Response

A single response to this RFP may be deemed a failure of competition and at the option of the Treasurer, the solicitation may be canceled. Alternatively, receipt of only one response may allow the Treasurer to claim it as a valid sole source acquisition of services.

IV. OTHER MANDATORY PROVISIONS

A. Financial Statements

As part of the proposal the prime vendor and any subcontractors directly involved with providing any part of the services, must submit their latest audited financial statements, or financial comments if a privately held company.

B. Ownership Disclosure Form

The vendor and all its known subcontractors must complete the enclosed Ownership Disclosure Form and submit it with the proposal. See **EXHIBIT B** for the **Ownership Disclosure Form**.

C. Non-Discrimination Law

All parties to any contract with the State of New Jersey agree not to discriminate in employment and agree to abide by all anti-discrimination laws including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A. 10:5-1 et seq., N.J.S.A. 10:5-31 through 10:5-38 and N.J.A.C. 17:27-3.4, and all rules and regulations issued hereunder. For additional information on the non-discrimination law, you may call the Law Reference Library at (609) 292-6230 or visit: <http://www.njleg.state.nj.us/> and select Law and Constitution and then Statues.

D. Collateralization of Deposits

The State Treasurer shall require from this bank a deposit of bonds, notes, certificates of indebtedness or bills or other obligations of or guaranteed by the United States; or other obligations of or guaranteed by the State of New Jersey; or any other obligations now or hereafter authorized by law as security for public deposits. In addition, a current Security Agreement should be on file with the State of New Jersey.

For the total bank balances resulting from the account, the collateralization requirement must adhere to **EXHIBIT C Policy Statement: Department of the Treasury Collateralization Requirements for State Held Deposits**.

E. Proof of Registration Requirements

Public Law 2001, Chapter 134 requires all contractors and subcontractors providing goods/services to State agencies and authorities to provide the contracting agency with proof of registration with the Department of the Treasury, Division of Revenue.

The Division of Revenue's Client Registration Bureau provides proof of registration certificates to all registrants. Business Registration Certificates (BRC) list basic business identification information and unique registration sequence numbers that can be verified by the Client Registration Bureau.

Pursuant to an amendment to N.J.S.A. 52:32-44, State and local entities are prohibited from entering into a contract with an entity unless **the contractor has provided a copy of its Business Registration Certificate as part of its bid submission**. As mandated by this statute, failure to submit a copy of the Business Registration Certificate within the bid proposal will be deemed non-responsive and therefore will result in disqualification of the bid proposal.

The statute also requires that all contract vendors submit a copy of the Business Registration Certificate for each subcontractor they intend to use prior to contract implementation. The law prohibits contractors from entering into a contract with a subcontractor who has not provided the contractor a copy of its Business Registration Certificate.

The basic registration process involves filing Form NJ-REG. An overview of the filing requirements can be found by visiting the NJ Business Gateway Services website at <http://www.state.nj.us/njbgs/>. The NJ-REG may be filed online or a Business Registration Packet can be downloaded at <http://www.state.nj.us/treasury/revenue/revprnt.htm>.

Any questions in regard to business registration requirements can be directed to the Division of Revenue at (609) 292-9292.

F. N.J.S.A. 52:34-13.2 Certification

1. Under N.J.S.A. 52:34-13.2 Certification, the State shall not award a contract to a vendor that submits a bid proposal to perform services, or have its subcontractor[s] perform services, outside the United States, unless one of the following conditions is met:

The vendor or its subcontractor provide a unique service, and no comparable, domestically provided service can adequately duplicate the unique features of the service provided by the vendor and/or its subcontractor; or

A significant and substantial economic cost factor exists such that a failure to use the vendor's and/or the subcontractor's services would result in economic hardship to the State; or

The Treasurer determines that a failure to use the vendor's and/or subcontractor's services would be inconsistent with the public interest.

2. Source Disclosure Requirements

Pursuant to N.J.S.A. 52:34-13.2, all vendors seeking a contract with the State of New Jersey must disclose:

The location by country where services under the contract will be performed; and
The location by country where any subcontracted services will be performed.

State prefers the vendor submit with its bid proposal **EXHIBIT D N.J.S.A. 52:34-13.2 Certification**, completed with the sourcing information required for itself and any proposed subcontractor, identified in its proposal.

If the certification is not submitted with the bid proposal, it shall be submitted **within five (5) business days** of the State's request for the information. Failure to submit sourcing information when requested by the State shall preclude award of a contract to the vendor.

3. Breach of Contract of N.J.S.A. 52:34-13.2

A shift of outsourced services during the term of the contract shall be deemed a breach of contract.

If, during the term of the contract, the contractor or subcontractor, who had on contract award declared that services would be performed in the United States, proceeds to shift the performance of the services outside of the United States, the contractor shall be deemed in breach of the contract, which contract shall be subject to termination for cause, unless the Treasurer shall have first determined in writing that extraordinary circumstances require a shift of services or that a failure to shift the services would result in economic hardship to the State.

It is important to note that N.J.S.A. 52:34-13.2 applies to all service contracts.

G. Two-Year Chapter 51 / Executive Order 117 Vendor Certification and Disclosure of Political Contributions

In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, Public Law 2005, Chapter 51 was signed into law on March 22, 2005 (this law supersedes Executive Order 134 (2004)).

On September 24, 2008, Governor Jon S. Corzine issued Executive Order No. 117 to further enhance the State of New Jersey's efforts to protect the integrity of the procurement process.

Pursuant to the requirements of Public Law 2005, Chapter 51 / Executive Order No. 117 (2008) the terms and conditions set forth in this section are material terms of any contract resulting from this RFP:

1. Vendor Certification and Disclosure

Prior to awarding any contract or agreement to procure services or any material, supplies or equipment from, or for the acquisition, sale, or lease of any land or

building from or to, any business entity, the State or any of its purchasing agents or agencies, as the case may be, shall require, as part of the procurement process, the business entity to report all contributions the business entity made during the preceding four years to any political organization organized under section 527 of the Internal Revenue Code that also meets the definition of a “continuing political committee” within the meetings of section 3 of P.L. 1973, c.83 (C.19:44A-3).

Instructions for completing the Vendor Certification and Disclosure are detailed in **EXHIBIT E Information and Instructions for Completing the Two-Year Vendor Certification and Disclosure of Political Contributions Forms.**

The submission of **EXHIBIT F Two-Year Chapter 51 / Executive Order 117 Vendor Certification and Disclosure of Political Contributions** will be required **five (5) business days** from the date on the “Intent to Award” letter issued by the Office of Management and Budget, Cash Management Unit.

2. State Treasurer Review and Approval

The State Treasurer or his designee shall review the Certification and Disclosure submitted pursuant, as well as any other pertinent information concerning the contributions or reports thereof by the intended vendor, prior to award, or during the term of the contract, by the contractor. If the State Treasurer determines that any contribution or action by the contractor constitutes a breach of contract that poses a conflict of interest in the awarding of the contract under this solicitation, the State Treasurer shall disqualify the Business Entity from award of such contract.

Please access the Purchase and Property website for additional information on Public Law 2005, Chapter 51 at the following site:
<http://www.state.nj.us/treasury/purchase/execorder134.shtml>.

Upon approval by the State, the Certification and Disclosure of Political Contributions form is valid for a two (2) year period. Thus, if a vendor receives approval on January 1, 2009, the certification expiration date would be December 31, 2010.

3. Ongoing Vendor Responsibility

All business entities awarded a State contract on or after October 15, 2004, in an amount in excess of \$17,500, have a continuing obligation to disclose any changes in the vendor's ownership status and/or political contributions made during the term of such contract, and any extensions thereof.

NOTE: Vendors are contractually obligated to report all ownership changes and political contributions to the OMB, Cash Management Unit by submitting updated Vendor Certification and Disclosure forms. All changes and forms are subject to review by the Treasurer.

If the State Treasurer determines that any such contribution poses a conflict of interest, such contribution shall be deemed a material breach of such contract or agreement.

H. Disaster Recovery Plan

As part of any contract award, the vendor(s) must maintain a disaster recovery plan designed to minimize any disruption to the services being performed. The bank's disaster recovery plan, contingency and backup procedures should be made available for review by the State, within **ten (10) days** of a request by the State. As part of the State's Disaster Recovery Exercises, these items will be subject to annual review.

The bank must be able to demonstrate, during an inspection of operations and a review of documented procedures that in the event of a system breakdown or catastrophic event, State operations will be minimally affected and State records recovered intact. Given the worst case scenario, the vendor must be completely functional within **24 hours** of a major disaster.

The bank must fully cooperate during any and all disaster recovery testing operations initiated by the State. It must be ready to receive and validate test files transmitted or delivered from a State of New Jersey disaster recovery exercise.

For disaster and recovery purposes, the bank must be able to receive and process data files from the State in the following formats: electronic transmission or CD ROM. In addition, the bank must be able to demonstrate that sufficient safeguards are in place to prevent test files from being loaded into a production environment.

I. Image Processing of Public Records & Certification of Image Processing Systems

The Division of Archives and Records Management (DARM) has set forth the standards, procedures and rules for image processing of public records for the preservation, examination and use of such records, including indexing and arrangement thereof as required by Public Law 1953, c. 410 N.J.S. 47:3-26 et al., and P.L. 1994, c.140 (N.J.S. 47:3- 26 as amended).

Please access the following Department of State, Division of Archives and Records Management websites for standards, procedures and rules for image processing of public records and certification of image processing systems:

<http://www.state.nj.us/state/darm/links/njac-15-3-4.html>

<http://www.njarchives.org/links/njac-15-3-5.html>

Also see **EXHIBIT G Electronic Images – System Certification, Storage, Backup and Disaster Prevention/Recovery** for paid check imaging system certification description and requirements. The bank will also be responsible for the storage of canceled/paid checks until authorized for destruction by the State. See **EXHIBIT H Destruction Requirements for State Records, Canceled Checks and Electronic Images** for paid check destruction requirements.

V. PAYMENT METHOD AND TERMS

The State will pay for vendor services primarily with fees and compensating balances when they exist. It is the State's intent to maintain compensating balances at a minimum and to pay for services primarily with fees. However, at the discretion of the Department of the Treasury, cumulative excess balance credits, if available from other State demand account balances, may be used as compensation for the services rendered under this contract.

A. Compensating Balances

The compensating balance must be considered as the total average collected balance of the account(s) less the non-earning Federal Reserve requirement in effect during the course of the contract term. The basis for the earnings rate will be determined from the average of each month's 13-week Treasury bill yield auction results. All auctions for which the settlement date falls in that month will be included in the month's simple average. At a minimum, the **coupon yield** of each auction will be used.

The earnings rate developed will be applied each month against the average daily net collected balance of the account(s) to determine the value of bank services earned that month with compensating balances. If the earnings of the compensating balances exceed the value of total bank services provided in any month, the excess will be applied to subsequent monthly analyses on a continuous basis without regard to calendar year end.

B. Payment Terms

If necessary, the bank will invoice the State monthly. The bank must provide the invoice within **30 days** after the close of each month (on a calendar month basis) for which services were provided.

C. Monthly Analysis

Together with the invoice, the bank must provide a monthly analysis that will contain on one page of the analysis report, the monthly average collected balance and

average daily ledger balance for the account. On the same page, the total monthly activity for each billable category will be presented so that every category of activity appears on one line of the report. The balance and each category of billable activity will be totaled and then carried to the summary page of the analysis. On the summary page, the reserve requirement, if one is required by the Federal Reserve, will be applied against the total collected balance of the account, with the monthly average Treasury Bill **yield** used to calculate the compensating balance earnings for the month. The contract prices will be applied against the total volumes for each billable category in order to establish the total billing for the month. The State will be invoiced for the total billing less the compensating balance earnings for that month. All applicable costs are to be billed in this manner. No charges can be directly debited against the account(s).

The invoice and analysis are to be sent to:

The Department of the Treasury
Office of Management and Budget
Cash Management Unit
P.O. Box 221
Trenton, New Jersey 08625-0221

See **EXHIBIT I** for the **Division of Revenue – Revenue ACH Collection Services Monthly Analysis Sample** format.

VI. SCOPE OF WORK

A. General Account Requirements

The State's requirements include the establishment and maintenance of **one (1) State account**, and the accurate and timely processing of all banking services related to the account including, but not limited to; ACH receiving capabilities, access to the bank's Web-based Inquiry/Communication System to view all ACH transaction detail and to conduct wire transfers, ACH debit block, earnings credit rate, along with a variety of electronic reporting and communication needs.

The State reserves the right to consolidate existing accounts or establish additional accounts as needed during the contract term.

The bank must be a member of the National Automated Clearing House Association (NACHA) and follow the rules and regulations as outlined in the latest published ACH operating manual. The bank must have electronic CCD, CCD+, PPD and CTX file transfer sending and receiving capabilities.

The bank must process all files received and confirmed by **10:00 p.m. E.T.**; the funds associated with the transaction file must be deposited into the Division of Revenue ACH Depository Account the next banking business day. It will be the bank's responsibility to ensure timely processing and credit to the State. Any delay on the bank's part in applying credit to the State will result in the bank compensating the State for lost earnings at the average of each month's **13-week Treasury bill** yield auction results.

B. Account to be Established

The State will establish **one (1) account** in the vendor bank as follows:

1	Division of Revenue ACH Depository Account
---	--

The State's initial requirements will include the establishment and maintenance of the above account and the accurate and timely processing of all banking services and reports related to this account.

The Department of the Treasury, Cash Management Unit is solely responsible for the opening and closing of all State accounts.

The State reserves the right to increase, decrease or consolidate accounts, as the need arises, during the course of the contract term.

The State reserves the right to increase and decrease the number of EFT payment types processed through the Division of Revenue ACH Depository Account, during the course of the contract term. New payment types must be added within a reasonable timeframe; not to exceed one (1) month, at no cost to the State.

All accounts established as a result of this RFP must be protected against unauthorized ACH debit activity.

The Division of Revenue will oversee the day-to-day operations related to this account.

C. Account Data Information

The State will establish the Division of Revenue ACH Depository Account to receive individual and business tax payments as well as a number of other payment obligations.

See **EXHIBIT J** for a current List of EFT Payment Types, codes, and due dates (where applicable). The peak volumes fall in a cluster around the due dates. If the payment due date is on a weekend or holiday, the due date becomes the following business day.

Deposits to the Division of Revenue ACH Depository Account will be made on a daily basis and peak on payment due dates. The State anticipates the highest deposit volumes will be experienced on the week of the 15th of April each year.

During Calendar Year 2009, there were approximately **5,695,484 deposits** into this account totaling approximately **\$23 billion**. Out of the total number of deposits, 52% of payments resulted from taxpayer initiated ACH Credits while the remaining 48% of payments resulted from State originated ACH Debits.

See **EXHIBIT K Calendar Year 2009 Transaction Volumes and Dollar Amounts** for a detailed breakdown of the transaction types and dollar amounts.

D. ACH Requirements

The bank must be a member of the National Automated Clearing House Association (NACHA) and follow the rules outlined in the latest published ACH manual. The bank must have electronic transmission sending and receiving capabilities.

The bank must have a documented contingency plan in place, either manual or other, as a backup to receive the ACH data. The contingency plan documentation or procedure should be available for the State to review upon request.

This account will receive daily ACH payments from New Jersey businesses, citizens and accountants for the payment of New Jersey tax obligations and various other payment requirements. Payments usually peak around the 15th and 20th of each month; the highest volumes being reported in April.

All ACH transaction items must be accessible to the State via the bank's Web-based Inquiry/Communication System the same day of settlement.

When data is received or transmitted electronically to the vendor bank or by the vendor bank, all necessary security procedures must be followed to ensure the protection of the data and the integrity of the ACH system.

1. Reports and File Transfers from the State to the Bank

Each evening, Sunday through Friday, the State of New Jersey, Office of Information Technology (OIT) will transmit a NACHA approved ACH file to the bank at 6:00 p.m. E.T.

The method of transmission will conform to transmission protocols depicted in **EXHIBIT A State of New Jersey OIT File Transfer Guide**. It is the State's preference to use Connect: Direct with an option of Secure+ over IP, and the bank(s) providing this data transmission option will be rated favorably during the evaluation process.

When files are transferred electronically to the bank, all necessary security procedures must be followed to insure the protection of the data and the integrity of the ACH system.

In the event of a faulty file transfer, the State will initiate subsequent transfers until a successful transmission is completed. The bank will be notified immediately in the event of a file transfer failure; likewise, the bank must email and telephone OIT personnel by **6:30 p.m. E.T.** if the nightly file is not received. OIT contact personnel will be established after contract award.

2. Automated Confirmation of ACH Files

Upon the successful receipt of an ACH file transmission, the bank must provide OIT with an automated electronic confirmation via its Web-based Inquiry/Communication System, an e-mail or via the original method of transmission by **7:00 p.m. E.T.** The automated electronic confirmation must be received by OIT personnel **within 30 minutes** of the ACH file transmission being received by the bank. The confirmation must contain the following items for each individual file received:

1	Date and time file is received by the bank
2	Total Number of Records on File
3	Total Dollar Amount of File

The bank must process all ACH file transmissions received and verified by **10:00 p.m. E.T.** and the funds associated with the transaction items contained on the file transmissions must be deposited into the Division of Revenue ACH Depository Account the next banking business day.

3. Reports and File Transfers from the Bank to the State

On a daily basis, (except for Federal Reserve Banking System holidays) OIT must receive a series of files and reports no later than **8:30 a.m. E.T.** The vendor must provide a schedule via email of Federal Reserve/Banking holidays prior to December 15 of each year for the subsequent calendar year.

The method of transmission must conform to transmission protocols depicted in **EXHIBIT A State of New Jersey OIT File Transfer Guide**. It is the State's preference to use Connect: Direct with an option of Secure+ over IP, and the bank(s) providing this data transmission option will be rated favorably during the evaluation process.

The Office of Management and Budget, Cash Management Unit is required to report its daily cash balance position by no later than **11:00 a.m. E.T.** Therefore, any delay on the bank's part in transmitting the required daily ACH reports may cause the State to estimate its daily cash balance position. Under these circumstances, the bank must initiate the State's (best estimate) wire-out transfer request and the State must be held harmless if the wire transfer amount results in a negative balance. The resulting negative balance will be used in calculating the monthly average collected balance.

When data is transmitted electronically to the State, all necessary security procedures must be followed to insure the protection of the data and the integrity of the ACH system.

The following reports must be delivered electronically to the OIT on a daily basis **no later than 8:30 a.m. E.T.:**

a. Daily ACH Transaction Detail File

On a daily basis, the bank must provide an electronic file **no later than 8:30 a.m. E.T.** that contains one record for each individual transaction (ACH Credit, ACH Debit, ACH Return, Credit Reversal, NOC, Pre-Note, Pre-Note Failure).

The transaction settlement date for all ACH transaction items, indicated on the Daily ACH Transaction Detail File is expected to mirror the settlement date provided by the State on the ACH Data File.

The following transaction specific details for all ACH Credits and ACH Debits must be included on the Daily ACH Transaction File returned to the State the same day of settlement.

1	Payment Type
2	Taxpayer Id Number
3	Name Control
4	Settlement Date
5	Amount
6	Transaction Indicator (C=Credit, D=Debit, N=NOC, P=Pre-Note, F=Failed Pre-Note)
7	Transmit Date
8	Return Period Year
9	Return Period Month/Quarter
10	Return Period Day
11	Addenda Field #1
12	Addenda Field #2
13	Addenda Field #3
14	Bank Tracer Number
15	ABA Number
16	Reason Code
17	Record Type
18	Error Code
19	Original Payment Type
20	Confirmation Number
21	Bank Account Number
22	Company Name

23	Company Id
24	Customer Name
25	Customer Id
26	State Tracer Number (If possible)
27	Filler
28	Original Settlement Date (Returns and Reversals)
29	Bank Number
30	Account Number
31	Filler
32	Vendor Identifier (To be assigned)

See **EXHIBIT L** for the **Daily ACH Transaction Detail File Layout**.

b. Daily Tax Electronic Summary Report

On a daily basis, the bank must transmit an electronic summary report **no later than 8:30 a.m. E.T.** This report must be provided along with the Daily ACH Transaction Detail file via the same automated method of transmission.

This report must contain breakdowns of the transaction detail for the current day's settlement transactions including: the number and dollar amount for ACH Credits, ACH Debits and the combined total for each EFT Code. The totals for each of these, totals for Debit Returns, and grand totals must also be provided.

See **EXHIBIT M Daily Tax Summary Report** for a sample of the required data elements and report layout.

The Daily Tax Summary Report must contain summary information for all ACH items received for the current day's settlement transactions including the total transaction count and the total dollar amount of the file.

1	Bank Account Number
2	EFT Code (State assigned code)
3	Settlement Date
4	Transaction Type (ACH Credit, ACH Debit, ACH Return and NOC)
5	Transaction Amount

c. Daily Addenda Error Report

On a daily basis, the bank must provide an electronic file **no later than 8:30 a.m. E.T.** with an exception report listing those payers who initiated a credit transaction but failed to transmit the addenda information in the proper TXP format.

This report must be available for viewing and printing via the bank's Web-based Inquiry/Communication System for a period of **90 days after the transaction date.** See **EXHIBIT N Daily Addenda Record Error Report** for a sample of the required data elements and report layout.

d. Valid Transit Routing Number File

On a monthly basis, the bank must provide OIT with an updated Valid Transit Routing Number File in a mutually agreed upon format, to be decided after contract award. The State prefers to receive this file on or around the 20th of the month.

E. ACH Returns and ACH Credit Reversals

Per current NACHA regulations, the bank must allow ACH Returns for a period not exceeding five (5) banking days after receipt of the original transaction for business payments and for a period not exceeding 60 days after receipt of the original transaction for consumer payments.

During Calendar Year 2009, there were approximately **35,903 ACH Returns** requested, totaling approximately **\$240 million**.

The bank must also honor all ACH Credit Reversal requests issued by the State of New Jersey to return funds that were erroneously taken from a taxpayer's account.

During Calendar Year 2009, there were approximately **103 ACH Credit Reversals** requested totaling approximately **\$8.6 million**.

The vendor must provide the following identifying information pertaining to ACH Returns (defined as "R") and ACH Credit Reversals (Defined as "V") on the Daily ACH Transaction Detail File returned to the State each morning **no later than 8:30 a.m. E.T.:**

1	Payment Type
2	Taxpayer Id Number
3	Name Control
4	Settlement Date
5	Amount
6	Transaction Indicator (R=Returns, V= Credit Reversals)
7	Transmit Date
8	Return Period Year
9	Return Period Month/Quarter
10	Return Period Day
11	Addenda Field #1
12	Addenda Field #2
13	Addenda Field #3
14	Bank Tracer Number
15	ABA Number
16	Reason Code
17	Record Type

18	Error Code
19	Original Payment Type
20	Confirmation Number
21	Bank Account Number
22	Company Name
23	Company Id
24	Customer Name
25	Customer Id
26	State Tracer Number (If possible)
27	Filler
28	Original Settlement Date (Returns and Reversals)
29	Bank Number
30	Account Number
31	Filler
32	Vendor Identifier (To be assigned)

F. ACH Pre-Notes for ACH Debit Transactions

Included on the nightly file forwarded to the bank, the State will include taxpayer identifying information for newly registered debit-paying EFT filers. Upon receipt of a newly registered debit-paying taxpayer, the bank must process the Pre-Note to verify the banking information provided by the taxpayer. All NACHA rules and procedures governing pre-notifications must be followed.

All notifications of change (NOCs) must be accessible via the bank's Web-based Inquiry/Communication System by **8:30 a.m. E.T.** the morning following the pre-note submission. The bank's system must permit users the ability to search, view, print and download/save all NOCs.

G. ACH Batch Payments and Batch Payment Software

The bank must be able to receive and process payments that are initiated by taxpayers using batch payment software. Taxpayers should be able to process batch payments utilizing software obtained from their own financial institution or from the State's contracted bank.

Batch payment software enables users to enter, edit and electronically transmit one (1) electronic file consisting of multiple payment obligations for one (1) or multiple taxpayers. This payment option is primarily used by payroll services, tax preparers and businesses.

In Calendar Year 2009, there were approximately **41,000 payments** submitted utilizing batch payment software.

The State prefers that the bank have the ability to supply taxpayers with batch payment software and detailed installation instructions within one (1) week of a taxpayer's request, at no cost to the taxpayer. Users should have the ability to install the software on one (1) or multiple computers in a network scenario. The bank should be able to provide software installation and transaction assistance via **a toll-free number accessible Monday through Friday 8:30 a.m. to 6:00 p.m. E.T., at no cost to the taxpayer.**

The bank has the option of providing the batch payment software to taxpayers via a self-loading CD ROM or via a web-based download. Users should be able to electronically transmit payments via a cable or dial-up modem. It is the State's preference to have batch payments electronically transmitted via cable modem, banks that are able to offer this feature will be ranked favorably during the evaluation process.

The bank will be responsible for maintaining the batch payment software distributed to taxpayers. As industry standards advance and operating systems are upgraded, the bank will be responsible for providing software upgrades, at no cost to the taxpayer.

All batch payment transaction details must be included on the electronic Daily Tax Summary report. See **EXHIBIT M Daily Tax Summary Report** for a sample of the required data elements and report layout.

In Calendar Year 2009, there were approximately **41,000 payments** submitted utilizing batch payment software.

1	Bank must be able to accept batch payments
2	Batch filing software downloadable via the web or via CD ROM
3	Toll-free software installation and transaction assistance Monday through Friday, 8:30 a.m. - 6:00 p.m. E.S.T., at no charge to the taxpayer
4	Network capability for multiple users
5	Payment warehousing
6	File transmission via cable modem is preferred
7	All batch payment transaction details must be included on the Daily Tax Summary Report

H. Web-based Inquiry/Communication System

The bank must provide the State with web-based access to all account(s) established as a result of this RFP.

Only authorized State personnel will be permitted to initiate inquiries via the Web-based System. The authorized personnel will be identified after contract award. It is estimated that 12 State employees will require web-based account access to the bank's system.

The bank must provide the proper security measures to prevent other bank clients from accessing the State information and conversely, to prevent State personnel from accessing other than their own information.

The bank's system must grant users the ability to enter search parameters and qualify search parameters via additional drop down menus. Search qualifiers for numeric fields must include equals, ranges, greater than, greater than or equal to,

less than, less than or equal to. Search qualifiers for alpha fields must include equals, begins with, ends with or contains. The search parameters must allow the user to drill down to view the daily details of any given month.

The State requires the bank to provide web-based reports reflecting all transactions processed. The Web-based Inquiry/Communication System must have report generating capabilities allowing reports to be generated which include **six (6) months of historical activity**. The user must be able to create queries so reports can be sorted by the following headings:

1	Account Number
2	Settlement Date
3	Transaction Type (ACH Credit, ACH Debit, ACH Return, NOC, Pre-Note, Failed Pre-Note, Credit Reversal)
4	Transaction Amount

1. ACH Web-based Inquiry/Communication System

The bank's Web-based Inquiry/Communication System must provide State personnel access to all ACH activity including exception items (ACH Credits, ACH Debits, ACH Fails, ACH Returns, Reversals, Pre-Note Fails, NOCs) by **8:30 a.m. E.T.** the same day of settlement.

The ACH Web-based Inquiry/Communication System should provide users the ability to generate reports that can be downloaded into Microsoft Excel or PDF formats.

2. Web-based Access to Account Activity Detail and Balance Summary Information

The bank's Web-based Inquiry/Communication System must provide State personnel access to account activity detail and balance summary information by **8:30 a.m. E.T.** the same day of settlement.

The bank's Web-based Inquiry/Communication System should provide report generating capabilities with the option to print and download data into Microsoft Excel or PDF formats.

a. Account Activity Detail

The account activity detail must be available for viewing via the bank's Web-based Inquiry/Communication System by **8:30 a.m. E.T.** the same day as settlement.

All credits and debits posted to the account must contain the following details:

1	Account Number
2	Settlement Date
3	Transaction Amount
4	Transaction Type (ACH Credit, ACH Debit, ACH Fail, ACH Return Reversal, Pre-Note Fail, NOC)

b. Balance Summary Information

The bank's Web-based Inquiry/Communication System must provide information reporting that enables the State to view the current day and previous day balances.

The following balance summary information must be available for viewing via the bank's Web-based Inquiry/Communication System **8:30 a.m. E.T.** the same day as settlement:

1	Beginning balance
2	Deposits and other adjustments
3	Deductions
4	Ending balance

3. Web-based Wire Transfer System

The bank must provide to the State a Web-based Wire Transfer System. The system must be capable of warehousing data **for up to two (2) weeks** until the transmission execution date. The system should have the capability of maintaining repetitive wires requiring only date and amount. The wire transfer system must also provide the State the ability to complete draw-downs from State bank accounts located at other banks. The system must contain the proper security features to insure the protection of the data and to maintain the integrity of the system.

The bank must adequately train State personnel on the use of its Web-based Wire Transfer System and provide **a minimum of three (3) user manuals**. Additional training and updated user manuals will be required prior to the bank implementing any major Web-based Wire Transfer System changes.

The State must have access to a toll-free telephone “wire transfer help desk” during normal State working hours, **8:00 a.m. E.T. to 4:30 p.m. E.T.** The bank must provide on-going maintenance and emergency service when necessary. The bank must have a manual wire transfer backup system and procedures established in the event of an electronic failure.

The bank will be responsible for the following items relative to the Web-based Wire Transfer System:

1	Successful testing of the bank's Web-based Wire Transfer System
2	Adequate training of State personnel and follow up training if warranted
3	A minimum of three (3) user manuals and updates if warranted
4	Access to a toll-free telephone "wire transfer help desk" between the hours of 8:00 a.m. E.T. to 4:30 p.m. E.T. Monday-Friday.
5	On-going maintenance and emergency service when necessary
6	A manual wire transfer back-up system and procedures in the event of an electronic or system failure
7	Prompt response to <u>all</u> wire instructions regardless of temporary overdraft position

The bank must promptly respond to all State wire instructions no later than **thirty (30) minutes** after receipt of the instruction from the State. It is the intention of the State to fully fund all electronic payments on transaction date. At any time during the day, as a result of electronic payments, if the account is placed in a temporary overdraft position, the State expects the bank to initiate all electronic payments when requested regardless of its temporary overdraft position.

The bank must explicitly state in its proposal if there are any restrictions, current or anticipated (self imposed or regulatory) that will prevent the bank from immediately complying with the State's request to transfer funds as requested.

The bank will be liable for loss of interest resulting from its error or delay in transmitting an entry when properly instructed to do so. The interest will be calculated by using the 90-day T-bill rate for the period involved.

The Department of the Treasury, Office of Management and Budget, Cash Accounting Unit will initiate a daily wire transfer from the Division of Revenue ACH Depository Account, based on the current day's settlement transaction totals to the State's General Treasury concentration account. In addition, Cash Accounting will initiate wire transfers approximately once a week from the Division of Revenue ACH Depository Account to other State accounts.

I. Bank Statements and Reporting

1. Daily Automated Balance Reporting

All accounts established and any future accounts established will require daily automated balance reporting in unencrypted BAI2 format via the Internet without the use of a secure card random assigned personal identification number (PIN), or other means that would inhibit the automated retrieval of the bank data. Any encryption format required by the bank must be compatible with the automation of the retrieval process of the bank report, such that a bank report can still be retrieved and unencrypted in an automated fashion.

Every working day, by **7:30 a.m. E.T.**, the bank must electronically provide access to prior day account balance information in unencrypted BAI2 format via the Internet without the use of a secure card random assigned personal identification number (PIN), or other means that would inhibit the automated retrieval of the bank data.

For each account the report must include at a minimum the following data fields:

1	Ledger balance
2	Collected balance
3	Total credits
4	Total debits
5	1-day float
6	2-day float

For all the reporting fields, there should always be data reported. Therefore, if there is no amount reported, the bank should input 00.00 in the specific amount field.

During the course of the contract term, the State may request the bank to provide summary Intra-Day Balance Reporting in addition to the previously established Daily Automated Balance Reporting requirements.

As technology improves, the State requires that the chosen vendor remain

flexible, throughout the term of this contract and any extensions, as it relates to the method of balance reporting in unencrypted BAI2 format via the internet without the use of a secure card random assigned personal identification number (PIN), or other means that would inhibit the automated retrieval of the bank data.

2. Daily Bank Statements

The bank must maintain the Daily Bank Statement for all accounts established as a result of this RFP for **seven (7) years**. However, the State will only require the delivery of a Daily Bank Statement upon request. In these instances, usually related to an audit or reconciliation issue, the bank must deliver a complete Daily Bank Statement within **two (2) business days**. The State anticipates these instances will be very rare and the bank has the option of delivering the requested Daily Bank Statement via CD ROM or in hard copy.

If requested, the Daily Bank Statement must contain balance summary information and detailed break downs of account activity as follows:

1	A single entry for all taxpayer credit initiated items
2	A single entry for all State debit initiated items
3	A separate entry for each wire transfer (Incoming taxpayer initiated wires-in are prohibited)
4	A separate entry for all other miscellaneous postings

During the course of the contract term, the State may request to receive the Daily Bank Statement copies via an electronic means. The State will require that the method of transmission used to send the Daily Bank Statement adhere to **EXHIBIT A State of New Jersey OIT File Transfer Guide**, the file format will be determined upon implementation.

J. Customer Service/Inquiries

The bank must respond to all State inquiries in a prompt, efficient and courteous manner.

The bank must provide access to designated customer service contacts during normal State hours of operation, Monday thru Friday between **8:30 a.m. and 4:30 p.m. E.T.**

The bank must provide access to designated file transfer personnel via a toll-free number, **24 hours a day, seven (7) days a week.**

Performance standards regarding the number of rings prior to calls being answered and the average “on-hold” time must be consistent with current industry standards.

K. Vendor Contact Personnel

The bank should appoint a senior officer (vice-president or above) and a qualified substitute as a representative for contact and liaison with the State. This representative will be solely responsible for insuring that the contract requirements are met, implementing State instructions and resolving problems that may arise on a day-to-day basis during the term of the contract.

The bank must provide proper lines of communication including: names and titles of contact personnel, locations of operation, office hours, telephone number(s) (office and cell), fax number, email address for immediate response to any request for information pertaining to this RFP.

The State requires that the vendor designate a **minimum of two (2) individuals** for each category noted below (not necessarily all inclusive) who will be responsible for responding to daily inquiries, resolving on-going problems and providing initial and on-going training, etc.

1	Primary contact personnel and backup
2	Customer service contact
3	Bank statements, credits and debits
4	Daily balance reporting
5	Invoice and bank analysis
6	File transfer technical contact
7	ACH contact

8	Wire transfer contact
9	Implementation and testing contacts
10	Training personnel contacts

In the event a personnel change results in a different liaison being assigned to the State, written notification will be provided **15 days prior** to the change becoming effective. The same notification requirements apply to a change in liaison at the subcontractor level.

L. Implementation and Testing

The bank must provide a detailed implementation and testing schedule starting on the date of contract award and ending prior to **July 1, 2011**.

The implementation and testing schedule must highlight all critical RFP elements including, but not limited to: the opening of accounts, establishing account administrators, providing account tokens, establishing State access to all required modules of the bank's Web-based Inquiry/Communication System, setting up batch headers for the receipt of payments, file transfer testing, State approval of bank reports and bank statements and the training of necessary State personnel.

A start date and end date for each critical RFP element along with the amount of State personnel time and resources must be included on the implementation and testing schedule.

During the implementation and testing phases, bank personnel must be available for weekly status conference calls. If warranted, the State may request the bank send representatives to meet with the Division of Revenue and Cash Accounting at a centralized Trenton location.

Since the Revenue ACH RFP represents one of the largest revenue collection streams for the State of New Jersey, the bank must be willing and capable of attending multiple post implementation meetings at a centralized Trenton location if

there are contractual concerns. The implementation and testing schedule must include at least one face to face post implementation meeting.

All costs associated with initial programming, testing, training and post implementation meetings must be bundled into the banking fees and not shown as a separate line item on the Cost Schedule.

M. Training

The bank must provide adequate training both initially and on-going to ensure that State personnel thoroughly understand all report information and can identify the codes indicated on all reports. All systems should be explained and demonstrated to representatives from the Division of Revenue and Cash Accounting during the implementation and testing phases.

A minimum of **three (3) sets** of operating manuals must be provided to the State preferably in hard copy, with any subsequent additions, deletions or revisions to the manuals forwarded to the State promptly.

A training outline, schedule and synopsis of the major training categories and the trainer's name along with their experience, must be included in the bank's response to the State's training requirements.

The bank must be certain that the Web-based Inquiry/Communication System is operating satisfactorily and that State personnel have been properly trained on its use.

The State estimates approximately **15 State employees** will require training.

VII. EVALUATION CRITERIA

The State must be satisfied that the bank has the necessary technical expertise, experience and resource capabilities to satisfactorily perform the requisite services stated in this RFP. The State reserves the right to obtain any information from an independent source to evaluate bid proposals in accordance with the stated criteria. Selection of other than the apparent low bid will be fully documented. An award will be made to that responsible bidder whose bid, conforming to the RFP, will be most advantageous to the State, price and other factors considered.

The following general criteria, not necessarily listed in order of significance, will be used to evaluate the vendors' proposals. A more detailed evaluation worksheet may be developed which may expand on the technical requirements of the RFP. The State reserves the right to request additional information prior to contract award.

The bank's overall response to all questions in Section VIII., Vendor Response.
The bank's overall experience on projects of similar scope and size.
Response to possible follow-up inquiries.
The bank's financial condition and ratings.
Clarity and completeness of the required reports and documents.
Web-based Inquiry/Communication System reliability, capabilities and ease of use.
The adequacy of the security measures, contingency plans and backup procedures.
The bank's commitment to provide adequate technical and personnel resources to satisfactorily meet the requirements of the RFP.
ACH receiving and reporting capabilities.
The State's overall assessment of client references.
Completeness and feasibility of the bank's implementation, testing and training plans.
Ability to accommodate any future State-mandated program changes within the time frame acceptable to the State.
Any other information that would assist the State in the selection process.
Cost.

VIII. VENDOR RESPONSE

The vendor shall prepare responses to the questions listed below which will demonstrate the vendor's understanding, experience and ability to adequately provide the services as required in this Request for Proposal (RFP). The vendor must address each question in its entirety providing details when warranted. The vendor is encouraged, in its response document, to expand upon any issue, RFP statement or RFP requirement that it deems not adequately addressed by this RFP.

Each vendor is given latitude with respect to the detail it elects to offer. However, vendors are cautioned that insufficient detail may result in a determination that the bid proposal is materially non-responsive and will result in disqualification of the bid proposal.

Proposals that do not conform with or that take exception to the State of New Jersey's requirements as set forth in **SECTION III. TERMS AND CONDITIONS, SECTION IV. OTHER MANDATORY PROVISIONS** and **SECTION V. PAYMENT METHODS AND TERMS** will be considered materially non-responsive and therefore rejected.

Vendors are instructed to clearly identify any requirement(s) listed in **SECTION VI. SCOPE OF WORK** of this RFP that the vendor cannot satisfy. Any deviation to the technical specifications must be clearly noted and fully explained. The State reserves the right to accept any minor deviations if it is deemed to be in the best interest of the State.

The vendor assumes responsibility for the complete effort required in this RFP. No special consideration shall be given after the bids are opened due to a bidder's failure to be knowledgeable of all the requirements of this RFP. By submitting a proposal in response to this RFP, the bidder represents that it has satisfied itself, from its own investigation, of all the requirements of this RFP.

It is requested that all pages for the response be numbered and that responses reference the original questions.

1. Briefly acknowledge your understanding and acceptance of all the **TERMS AND CONDITIONS, OTHER MANDATORY PROVISIONS** and **PAYMENT METHOD AND TERMS** as stated in the RFP.
2. If a merger/acquisition has recently occurred or been announced prior to or during the vendor's proposal preparation period, identify all relevant or emerging dates surrounding the merger relative to official name change, system changes, account number changes, and ALL operational changes that could affect or impact the State's required services, if known at the time of bid submission.

Confirm the bank and any successor vendor (in the event of merger/acquisition or other change in operating status), will assume sole responsibility for the complete effort of any contract(s) awarded to the bank subsequent to its bid submission, and assume all cost incurred by the State, directly or indirectly, in connection with or as a result of the transition.

3. Identify any and all subcontractors, its officers, the contractual arrangements made therewith and state what services will be subcontracted. Confirm the bank will provide the State with 90 days written notice prior to employing or replacing a subcontractor. Confirm that no replacement firm will begin work without prior State approval.
4. The State of New Jersey can utilize several protocols for file transfers: HTTPS, FTPS (FTP over SSL), SFTP (FTP over SSH): a.k.a. 'SAFE process' and Connect: Direct over IP (VPN, Extranet or dedicated line ONLY). See **EXHIBIT A State of New Jersey OIT File Transfer Guide** for a detailed description. The State's preference is to use Connect Direct with an option of Secure+ over IP. A bank's ability to support this data transmission option will be rated favorably during the evaluation process. List all the file transfer protocols supported by the bank.
5. Confirm that all bank-generated transaction records, including but not limited to: transaction detail, bank generated reports, bank statements and invoices will be made available to the State for a period of seven (7) years from the date of transaction.

6. Respond to **SECTION IV. OTHER MANDATORY PROVISIONS:**

- a. **Financial Statements:** The bank and any direct subcontractors must include their most recent audited financial statements or financial comments if a privately held company.
- b. **Ownership Disclosure Form:** The Bank and all subcontractors must complete an Ownership Disclosure Form and include copies with each bank proposal. See **EXHIBIT B Ownership Disclosure Form**.
- c. **Non-discrimination Law:** The Bank must acknowledge anti-discrimination law N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A. 10:5-1 et seq., N.J.S.A. 10:5-31 through 10:5-38 and N.J.A.C. 17:27-3.4, and abide by all rules and regulations issued there under.
- d. **Proof of Registration Requirements:** The Bank and all subcontractors must submit a copy of the Business Registration Certificate(s). As mandated by Public Law 2001, Chapter 134, failure to submit a copy of the Business Registration Certificate within the bid proposal will be considered materially non-responsive and result in disqualification of the bid proposal.
- e. **N.J.S.A. 52:34-13.2:** Confirm the bank and all subcontractors' ability to adhere to N.J.S.A. 52:34-13.2. The State prefers the vendor submit with its bid proposal **EXHIBIT D N.J.S.A. 52:34-13.2 Certification**, completing all sourcing information required of the bank and any proposed subcontractor, identified in its proposal. If the certification was not submitted with the bid proposal, confirm the bank's ability to submit the required document within **five (5) business days** of the State's request for the information.
- f. **Public Law 2005, Chapter 51 / Executive Order 117 (2008) Dual Certification:** Vendors must complete and submit **EXHIBIT F Two-Year Chapter 51/ Executive Order 117 Vendor Certification and Disclosure of Political Contributions Form** within **five (5) business days** from the date on the "Intent to Award" letter issued by the Office of Management and Budget, Cash Management Unit.

- g. **Disaster Recovery Plan:** Vendor must include a summarized Disaster and Recovery Plan in the vendor's proposal and detailed plans must be made available for State review. Specifically address your contingency plans for data processing systems, equipment, power, information reporting, or other failures that would affect services or reporting of data. Confirm that the system would be completely functional within **24 hours** of a major disaster.
 - h. **Collateralization of Deposits:** Confirm the bank's ability to adhere to the Department of the Treasury Collateralization Policy, refer to **EXHIBIT C Policy Statement: Department of the Treasury Collateralization Requirements** for State Held Deposits.
 - i. **Image Processing of Public Records and Certification of Image Processing Systems:** Please confirm the bank has reviewed the DARM certification elements and possesses the technical capabilities to become certified as requested by the State.
7. Provide the names and contact information for the officers and management personnel (including any subcontractors' personnel, if applicable) who will be responsible for the fulfillment of the services requested herein; e.g. daily operations, balance reporting, bank statements, invoice and analysis, ACH issues, file transfer issues, wire transfer issues, account reconciliation, Web-based Inquiry/Communication System, Batch Payment Software (if applicable), technology issues, disaster and recovery, implementation issues and testing.

The designated liaisons should be exclusive to each category. Specifically identify and include the following information for each of the primary contacts and backup individuals who will be responsible for responding to communications from the State:

1	Contact Name and Title
2	Physical Location and Mailing Address.
3	Contact Numbers: office, cell, fax
4	Email Address
5	Office Hours
6	A backup or alternate contact for each of the service categories listed above

8. For reference purposes, provide the names, addresses, contacts and telephone numbers for **three (3)** of your present customers for whom the bank is providing similar services as those requested herein; depository accounts, ACH collection services (including batch payments), wire transfer services and Web-based Inquiry/Communication services. If possible, provide references with activity volumes equal to or greater than those depicted in this RFP. Include any other information concerning the bank's experience that would assist the State in evaluating the bank's capabilities.
9. Confirm the bank is a member of the National Automated Clearing House Association (NACHA) and will follow the rules and regulations as outlined in the latest published ACH operating manual. Confirm the bank has electronic CCD, CCD+, PPD and CTX file transfer sending and receiving capabilities.
10. Confirm the bank will increase or decrease the number of EFT payment types processed through the Division of Revenue ACH Depository Account, within one (1) month of the State's request, at **no cost** to the State.
11. Confirm that **all** accounts established as a result of this RFP will be protected against unauthorized ACH debit activity.
12. Confirm the bank is capable of receiving the nightly ACH file transfer (Sunday through Friday) at **6:00 p.m. E.T.**

Confirm the bank is capable of receiving and effectively processing the volume of ACH transactions depicted on **EXHIBIT K Calendar Year 2009 Transaction Volumes and Dollar Amounts**. Acknowledge the bank's understanding that ACH payment volumes usually peak around the 15th and 20th of each month; the highest volumes being reported in April. Describe what steps the bank will take during peak times to ensure **all** ACH transactions are processed and deposited into the Division of Revenue ACH Depository Account the next business day.

Explain if the bank has any ACH file transfer size or transaction volume limitations.

13. Confirm the bank will provide OIT with an automated electronic confirmation by **7:00 p.m. E.T.** following the successful receipt of the nightly ACH file transfer. Explain how

the bank will provide the automated electronic confirmation (via its Web-based Inquiry/Communication System, an e-mail or via the original method of transmission).

Summarize the bank's documented contingency plan, manual or other, in the event of file transfer failures.

14. Confirm the bank will process all ACH file transmissions received and verified by **10:00 p.m. E.T.** and the funds associated with the transaction items contained on the file transmission will be deposited into the Division of Revenue ACH Depository Account the next business day.
15. Confirm the bank can provide all the required reports and files (including all requested detail information) within the requested delivery times as indicated in the RFP text and in the following exhibits: **EXHIBIT L Daily ACH Transaction Detail File Layout**, **EXHIBIT M Daily Tax Summary Report** and **EXHIBIT N Daily Addenda Record Error Report**.

1	Daily ACH Transaction Detail File (no later than 8:30 a.m. E.T.)
2	Daily Tax Electronic Summary Report (no later than 8:30 a.m. E.T.)
3	Daily Addenda Error Report (no later than 8:30 a.m. E.T.)
4	Valid Transit Routing Number File (around the 20 th of the month)

Indicate if and why the bank is unable to provide any of detail information requested in the files/reports listed above.

Include one sample report for each of the items listed above. Include a copy of all the bank's standard reports which would be helpful in the State's reconciliation process.

16. Confirm the bank will honor all ACH Credit Reversal requests issued by the State of New Jersey to return funds that were erroneously taken from a taxpayer's account.
17. Confirm the bank is able to receive and process payments that are initiated by taxpayers using batch payment software either obtained from their own financial institution or from the State's contracted bank.

Confirm the bank's ability to supply taxpayers with batch payment software and detailed installation instructions within one (1) week of a taxpayer's request, at no cost to the taxpayer. Confirm users will have the ability to install the software on one (1) or multiple computers in a network scenario. Confirm the bank is able to provide software installation and transaction assistance via a toll-free number accessible Monday through Friday 8:30 a.m. to 6:00 p.m. E.T., at no cost to the taxpayer.

18. Provide a detailed description of the bank's Web-based Inquiry/Communication System. Include sample reports and screen shots of the requested modules. For evaluation purposes, provide a CD ROM or access to a web-based tutorial that highlights the capabilities and functionality of the bank's Web-based Inquiry/Communication System.
19. Confirm the bank's ability to provide access to all account activity detail and balance summary information 8:30 a.m. E.T. the day of settlement and that multiple users will be able to access this information simultaneously.

Confirm the account activity detail will contain the following information for all credits and debits posted to the account.

1	Account Number
2	Settlement Date
3	Transaction Amount
4	Transaction Type (ACH Credit, ACH Debit, ACH Fail, ACH Return Reversal, Pre-Note Fail, NOC)

Confirm the balance summary information will contain the following information for current day and previous day balances.

1	Beginning Balance
2	Deposits and other adjustments
3	Deductions
4	Ending balance

20. Confirm that all ACH transaction items (ACH Credits, ACH Debits, ACH Fails, ACH Returns, ACH Reversals, Pre-Note Fails and NOCs) will be accessible to the State via the bank's Web-based Inquiry/Communication System the same day of settlement. Confirm the bank's system will permit users the ability to search, view, print and download/save all ACH transactions.
21. Confirm the bank's Web-based Inquiry/Communication System provides report generating capabilities reflecting all transactions processed for a **minimum of six (6) months.** Confirm the bank's system will permit users the ability to search, view, print and download/save reports.
22. Provide a detailed description of the bank's Web-based Wire Transfer System and include sample screen shots. Confirm the bank can comply with the requirement to wire transfer funds upon request without regard to the balance in the account? Explain any restrictions that will prevent the bank from immediately complying with the State's request to wire transfer funds.

Describe the bank's manual wire transfer backup procedures. Define the security features of the bank's Web-based Wire Transfer System.

23. Confirm the bank's ability to electronically provide the daily required automated balance reporting (prior day) as defined in the RFP **by 7:30 a.m. E.T.** in the unencrypted BAI2 format via the internet without the use of a secure card random assigned personal identification number (PIN). Confirm the bank's ability and willingness to provide (intra day) automated balance reporting, in the same manner, if requested by the State in the future.
24. Provide a detailed implementation schedule to achieve the **July 1, 2011** contract commencement requirement. Provide beginning and end dates for each of the critical RFP requirements: opening of bank accounts, establishing account administrators, training State personnel, providing access to the bank's Web-based Inquiry Communication System (including: account data information, ACH detail information and wire transfer functionality).

Detail the timeframes and resources required to establish and test the information exchange communications between the State and the bank pertaining to batch headers

and testing, file transfer testing, Pre-Note testing and automated balance reporting testing. Define both State and bank personnel commitment requirements during the conversion process. Disclose any factors that may impact the proposed deliverable schedule.

25. Describe the bank's customer service operation, procedures, inquiry turnaround/response times, and staffing levels. Complete customer service capabilities and resources may be reviewed at an oral presentation or viewed and critiqued by the committee if a site visit is requested by the State.
26. Confirm the bank's ability to meet ALL the requirements outlined in this RFP, including but not limited to: account services and maintenance, daily automated balance reporting, required bank reports/files, monthly invoice and analysis, ACH collection services (including debit block), ACH reporting, ACH file transfers, access to the bank's Web-based Inquiry Communication System (including: account data information, ACH detail information and wire transfer functionality). The bank must reveal all services defined in the RFP that it cannot provide according to the specifications. The bank should indicate why the bank cannot deliver the service or standard as requested.

IX. COST SCHEDULE

All prices submitted must remain **firm and fixed** for the term of the contract. All prices proposed must be inclusive of all bank supplies, postage and delivery fees, equipment costs, server space, storage fees, travel expenses, overhead, FDIC charges, profit, etc. as needed to fulfill the RFP specifications.

All costs associated with initial programming, testing, training and post implementation meetings must be bundled into the banking fees and are not permitted to be listed as separate line items on the Cost Schedule.

*All methods of measurements that differ from the pre-established methods listed below **must** be clearly identified for each priced item.

Following are the pricing categories that may be appropriate for this RFP. It is not necessary to provide pricing for each category. When completing the pricing schedule, place a "NA" in each category for which a charge is not applicable.

The bank is not permitted to initiate debits against the State's account for any services.

	Account Services and Maintenance		
1	Account Maintenance Fee	\$	/Account/Month
2	Daily Balance Reporting (Prior Day) (Automated to Treasury Workstation via Web in BAI2)	\$	/Month
3	Daily Balance Reporting (Intra Day) (If Applicable) (Automated to Treasury Workstation via Web in BAI2)	\$	/Month
	ACH Services		
4	ACH Credit Received	\$	/Per Item
5	ACH Debit (Originated by the State)	\$	/Per Item
6	ACH Returns	\$	/Per Item
7	ACH Reversals (Initiated by the State)	\$	/Per Item
8	ACH Debit Block	\$	/Account/Month

	Web-Based Services		
9	Web-based Product Maintenance (If Applicable)	\$	/Month
10	Web-based Account Inquiry	\$	/Per Inquiry
11	Web-based ACH Inquiry	\$	/Per Inquiry
12	Web-based Wire Transfer (Wires Out)	\$	/Per Transfer
	Batch Payment Software/Payments		
13	Batch Payment Software Ordered	\$	/Per Order
14	Batch Payment Software Inquiries	\$	/Per Inquiry
15	Batch Payment (ACH Credit Received)	\$	/Per Item
	Programming Fees		
16	Programming Fees (If Applicable)	\$	/Per Hour